

ACCOUNTING AND AUDIT POLICY COMMITTEE MEETING
FINAL MINUTES
September 16, 2005

The meeting was convened at 10:00 AM in room 6N30 of the GAO Building, 441 G St., NW, Washington, DC.

ADMINISTRATIVE MATTERS

• **Attendance**

Present: Ms. Comes, Ms. George, Ms. Krell, Messrs. Campbell, McFadden, Maharay, Moraglio Sturgill, and Zane (for Dingbaum).

Absent: Messrs. Dingbaum, James & Taylor

• **Minutes**

The minutes of May 24, 2005 were previously approved as final, having been circulated by E-mail to members.

• **Project Agenda Status**

Inter-Entity Cost

In the absence of Jim Taylor, AAPC's Inter-Entity Cost task force Chair, Ms. Valentine (FASAB Staff) informed the Committee of the current status of FASAB's inter-entity cost project. She mentioned that the FASAB SFFAS 30, *Inter-Entity Cost Implementation: Amending SFFAS 4*, has been issued as final guidance. Ms. Valentine also pointed out to the Committee that in the standard the FASAB specifically enlists the assistance of the AAPC to provide guidance for the full implementation of inter-entity costing. The FASAB asks that the AAPC reconvene its inter-entity task force to address specific issues surrounding implementation.

Ms. Valentine also provided the Committee with the Board's guidance plan for the implementation of inter-entity cost. The plan stated that "the Board believes that the task force could build upon their already extensive survey results and research, as well as the comment letters and staff analysis in developing the guidance. Additionally, the task force may wish to solicit volunteers from the agencies that provided comments to the ED for assistance. Also, volunteers could be requested from agencies that successfully implement Interpretation Number 6, Accounting for Imputed Intra-departmental Costs: An Interpretation of SFFAS No. 4 considering the effective date for this was for periods beginning after September 30, 2004. Communication during the development of the draft TR should encourage identification of cases at individual agencies as well as soliciting feedback on draft guidance."

Ms. Valentine noted that the first task towards the implementation guidance would be to reconvene the task force, as well as solicit other interested members to the group. Ms. George

suggested contacting agencies that are currently implementing Interpretation 6: *Accounting for Imputed Intra-departmental Costs: An Interpretation of SFFAS 4* in order to use their experiences to help in the development of a plan for the implementation of SSFAS 30. She specifically suggested the U.S. Departments of Justice and Interior. Ms. Comes stated that the first round of discussions should be used to identify those “broad and general” costs. She also noted that review of the latest IEC task force paper may reveal some “broad and general” areas that could give the task force a start on its work.

Mr. Zane suggested looking at the previous work of the Cost Accounting Standards Board (CASB) because of their work on the proper distribution of costs. Mr. Jacobson mentioned that the CASB had been folded into OMB.

Heritage Assets and Stewardship Land

Ms. Comes noted that Janet Krell would be chairing the Heritage Assets and Stewardship Land (HA/SL) task force and Cindy George would serve as the co-chair of the task force [SFFAS 29 *Heritage Asset and Stewardship Land (HA/SL)*]. Ms. Comes also mentioned to the Committee that Staff had prepared a proposed timeline for the work of the task force. Ms. Comes asked Ms. Krell if her first goal would be to put together a task force. Ms. Krell agreed and suggested that contacting the original task force members would be a first step. Ms. George also suggested broadening the representation on the task force to also include some of the smaller Federal agencies. Ms. Comes also suggested contacting representatives leading a DOD-wide group discussing the implementation of HA/SL. Ms. Krell also mentioned putting out an open call of interested members for the task force.

Ms. Krell noted that the issue of materiality would probably be one of the toughest issues facing the task force and may be tackled first. Ms. Comes mentioned that Staff has the respondent’s comment letters on the draft implementation guidance. Ms. Comes asked if any AAPC member wanted to make any comments or suggestions to the existing guidance before the Chairs began their work.

- **Agenda Committee Report**

No issues.

- **New Business**

There were no new items raised.

- **Next Meeting**

The 2006 meetings have been scheduled.

Adjournment: The meeting was adjourned at 10:30 AM.

The remainder of the meeting was closed to discuss administrative matters.